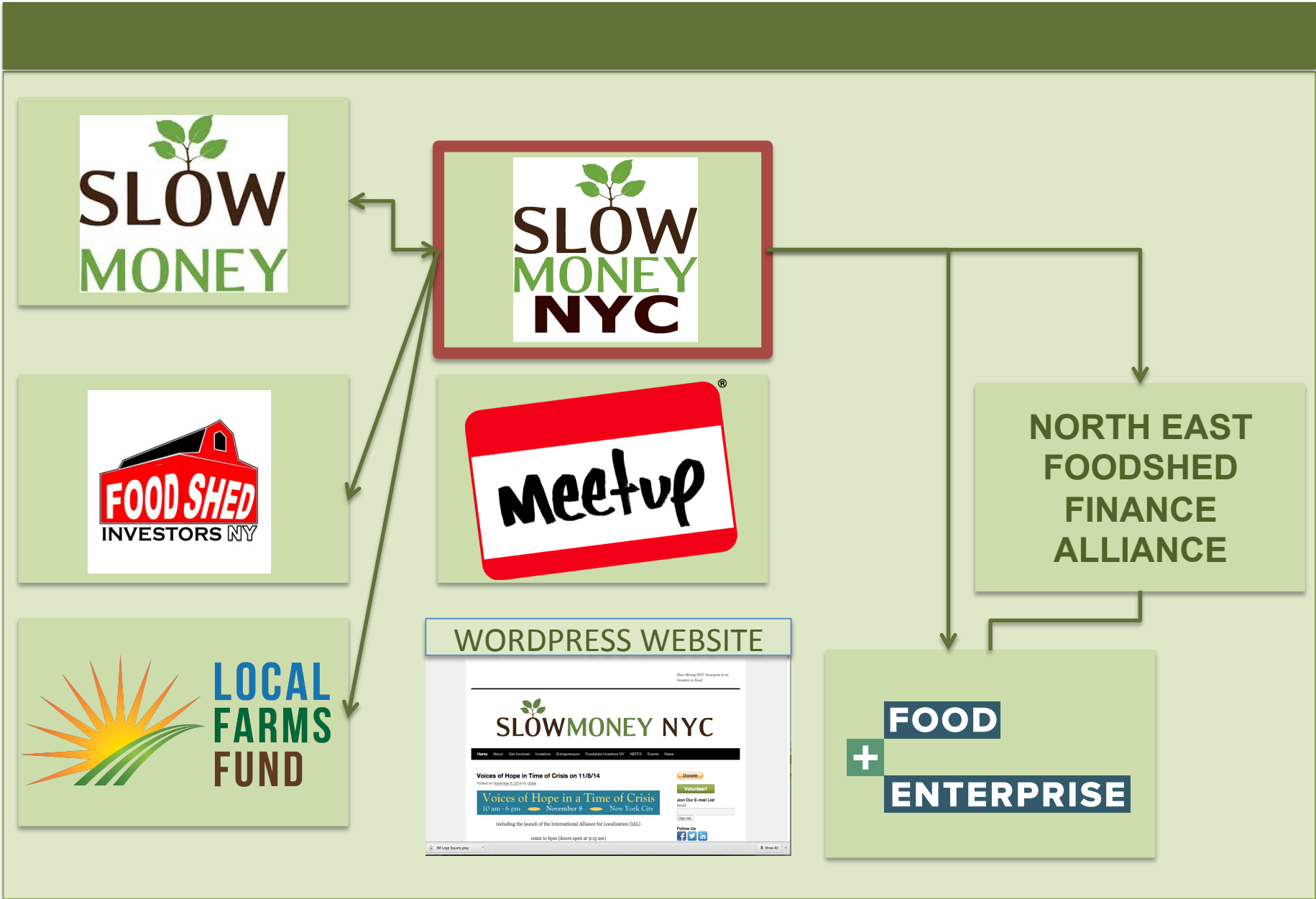


ORGANIZATION



ONLINE
APPLICATION TO
PRESENT



MONTHLY
WORKSHOPS +
ENTREPRENEUR
PRESENTATIONS



FOOD
+
ENTERPRISE

ANNUAL SUMMIT
PITCH COMPETITION
+ ENTREPRENEUR
CLINIC

AFTER
SCREENING,
PITCH AT
MONTHLY
INVESTOR
MEETING



Criteria: Sustainable, Local & Small

- **(1) Sustainable** — We screen enterprises based on environmental, social and economic impacts on the local food shed, relying on guidelines set out in our Entrepreneur Self-Assessment. Also, we strongly favor enterprises that complete the free B Corporation Impact Assessment and share the results with us.
- **(2) Local** — The definition of “local” is evolving along a continuum in which the more “local” enterprises are favored for funding. Definitely Local = Grown or caught within 250 miles of NYC and marketed in NYC. Possibly Local = Made in NYC foodshed using mostly local ingredients. Arguably Local = Owner lives or operates in NYC foodshed. Mileage radius is not strictly applied, yet investors want to visit and to patronize the enterprise.
- **(3) Small** — Small is beautiful. Like the government, our definition of “small” varies by industry but generally applies to an enterprise with the following traits: (i) revenues of less than \$10 million, (ii) fewer than 100 employees, (iii) independently owned and operated and (iv) not dominant in its field.

Nurture Capital: Relationship-Driven

Foodshed Investors seek **close, personal connection** to entrepreneurs and the food that they produce.

Beneficial relationships between investor and entrepreneur might include:

- mentor
- advisor
- consultant
- board member or
- corporate officer.

Key Financial Considerations

- **Early Stage Companies, Some Revenue**
- **For-Profit**
- **Form of Capital** – Equity strongly preferred, though debt, convertible debt and royalty provided
- **Amount of Capital** – \$50,000-500,000, Avg. \$100,000
- **Return on Investment** – Market rate of return decreases in inverse proportion to increase in positive social and environmental impact.
- **Exit Strategy** – Not looking for a short-term exit, buy-out or corporate acquisition. Yet, a return of capital is a minimum requirement.
- **Needs “Slow Money”** (vs. Traditional)

Slow Money Principles

In order to enhance food security, food safety and food access; improve nutrition and health; promote cultural, ecological and economic diversity; and accelerate the transition from an economy based on extraction and consumption to an economy based on preservation and restoration, we do hereby affirm the following Slow Money Principles:

I. We must bring money back down to earth.

II. There is such a thing as money that is too fast, companies that are too big, finance that is too complex. Therefore, we must slow our money down -- not all of it, of course, but enough to matter.

III. The 20th Century was the era of Buy Low/Sell High and Wealth Now/Philanthropy Later—what one venture capitalist called “the largest legal accumulation of wealth in history.” The 21st Century will be the era of nurture capital, built around principles of carrying capacity, care of the commons, sense of place and non-violence.

IV. We must learn to invest as if food, farms and fertility mattered. We must connect investors to the places where they live, creating vital relationships and new sources of capital for small food enterprises.

V. Let us celebrate the new generation of entrepreneurs, consumers and investors who are showing the way from Making A Killing to Making a Living.

VI. Paul Newman said, "I just happen to think that in life we need to be a little like the farmer who puts back into the soil what he takes out." Recognizing the wisdom of these words, let us begin rebuilding our economy from the ground up, asking:

What would the world be like if we invested 50% of our assets within 50 miles of where we live?

What if there were a new generation of companies that gave away 50% of their profits?

What if there were 50% more organic matter in our soil 50 years from now?

FOOD

+

ENTERPRISE

The Plus is Collaborating to Finance a Better Food System

Founded in 2013, FOOD + ENTERPRISE is a social impact, mission-driven event platform dedicated to promoting understanding and collaboration amongst multiple stakeholders – farmers, entrepreneurs, consultants, funders and investors – who aim to accelerate change in the local food system.

**NEW YORK
CITY**

**FEB 27 – MARCH 1
2015**

**Industry City
Brooklyn, NY**

EXECUTIVE SUMMARY

Founded in September 2014, Local Farms Fund – NY Foodshed, LLC (the “Company,” “Local Farms Fund” or “LFF”) is a high-impact, socially responsible farmland access venture co-founded by nine Slow Money NYC visionaries and Working Farms Capital, an established leader in managing sustainable agriculture ventures. LFF was established to provide secure land access to sustainable early stage farmers in the New York City Foodshed through lease-to-own arrangements with the goal of accelerating land ownership for the farmers that will be feeding us in the future. Local Farms Fund has adopted the motto “Accelerating Farm Ownership” and will be using patient investment capital to support these farmers with stable land tenure and ultimately ownership of the farm.



The Local Farms Fund focuses on farmers in the states of New York, New Jersey, Connecticut and Pennsylvania.

High Impact with Slow Money Principles

LFF is structured to create positive social and environmental impacts while generating a financial return for the investors. Land security is one of the biggest challenges any farmer, but especially an early stage farmer, faces. The Company’s business model and lease strategy is specifically designed to assist sustainable early stage farmers with the land access issues. Those farmers will then enhance local farming communities as the next generation on the farm and improve the environment by ensuring the use of better agricultural practices. The leases will have long durations with no lessor early cancellation provisions as well as contain lessee purchase rights and protections to provide significant security to the farmer. Furthermore, the farmers will be required to use sustainable farming practices. To achieve these results and keep the Company focused on the positive impacts, Local Farms Fund has adopted the Slow Money principles and democratic governance in the operating documents.

Farmer First Acquisition Strategy

While the Company will ultimately be investing in farmland, the acquisition strategy is “farmer first.” Local Farms Fund has developed, and will continue to expand, a pipeline of prospective farmers that will be looking for land in the near future. Given the limited capital resources available for early stage farmers, many of these farmers will gladly partner with patient investment capital that can provide better land security in a leasing arrangement than other agreements from traditional landowners. Local Farms Fund will carefully evaluate each farmer and the farmer’s business plans. The farmer then brings the land opportunity that fits the farm plan. Local Farms Fund will only purchase farmland when the farmer and LFF agree the farm matches the future need of the operations. Local Farms Fund will not make speculative land acquisitions.



Sustainable can be organic, biodynamic, certified naturally grown or have no formal standards as long as the farmer can demonstrate agriculture practices which Local Farms Fund considers sustainable, environmentally-sound and humane. LFF wants to work with the practices the farming tenant knows best.

Governance, Management and Voting (One Member One Vote)

LFF is governed by a Board of Directors and managed by an independent experienced sustainable farmland manager. The management team of Working Farms Capital, which has been actively involved in sustainable agriculture investing since 2005, will be handling the day-to-day operations and reporting to the Board. The Board is specifically designed and empowered to represent all “Stakeholders” (not only the investors but also the farmers, the farmer’s employees, and those consumers who purchase from the farm). Most notably, one member of the Board will be chosen by the farmer tenants to provide representation for the farmers. Finally, for certain issues the Board will defer to the member investors, at which point each member will have one vote regardless of the member’s investment amount.